## Introduced by Assembly Member Huber (Coauthor: Assembly Member Beth Gaines)

(Coauthor: Senator Gaines)

February 2, 2012

An act to amend Sections 1042 and 47603 of the Education Code, relating to charter schools.

## LEGISLATIVE COUNSEL'S DIGEST

AB 1576, as introduced, Huber. Charter schools: loans.

Existing law authorizes a county superintendent of schools, with the approval of the county board of education, to temporaliry transfer moneys to a school district under specified circumstances.

The Charter Schools Act of 1992 authorizes any one or more persons to submit a petition to the governing board of a school district to establish a charter school that operates independently from the existing school district structure as a method of accomplishing specified goals.

This bill would authorize a county board of education to loan moneys to a charter school for which the county board of education or the county superintendent of schools has a supervisory responsibility or, regardless of whether the charter school is within or outside of the county, with which a county board of education or county superintendent of schools has a contractual relationship. The bill would require the county superintendent of schools, before making the loan, to advise the chartering authority of the charter school and the county office of education in which the charter school is located that the charter school is requesting the loan and to allow for input from the chartering authority and the county office of education regarding the advisability of making

AB 1576 -2-

the loan, and would require the county superintendent of schools to solicit a recommendation from bond counsel about the advisability of making the loan. The bill would provide that any loan of moneys pursuant to these provisions would not constitute a debt or liability for the county superintendent of schools, the county board of education, or the State of California.

The bill also would make technical and conforming changes.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1042 of the Education Code is amended 2 to read:

1042. County boards of education may do all of the following:

- (a) Adopt rules and regulations governing the administration of the office of the county superintendent of schools.
- (b) Review the county superintendent of schools annual itemized estimate of anticipated revenue and expenditures before the annual itemized estimate is filed with the auditor as required by Section 29040 of the Government Code, and make any revisions, reductions, or additions therein it deems advisable and proper. No itemized estimate shall be filed by the county superintendent of schools or be approved by the board of supervisors until it has first been so reviewed and approved by the county board of education.
- (c) In the name by which the board of education is designated, acquire, lease, lease-purchase, hold, and convey real property for the purpose of housing the offices and the services of the county superintendent of schools, except that this subdivision shall only apply to the county boards of education to which all or a portion of the duties and functions of the county board of supervisors specified in subdivision (b) of Section 1080 have been transferred, with the exception of the recreational duties and recreational functions specified in subdivisions (c) and  $\frac{1}{100}$  (d) of Section 1080.
- (d) Contract with and employ any persons for the furnishing to the board of special services and advice in financial, economic, accounting, engineering, legal, or administrative matters; if these persons are specially trained and experienced and competent to perform the special services required. The board may pay to these

-3- AB 1576

persons from any available funds-such the compensation to these persons as that it deems proper for the services rendered.

(e) (1) Notwithstanding Section 25304 of the Government Code, fill by appointment any vacancy that occurs during the term of office of the county superintendent of schools. In any a county in which the superintendent is elected, the appointee shall hold office until the office is filled by election at the next gubernatorial election.

The

- (2) The authority described in this subdivision shall be vested in a county board of education only upon its adoption by the board at a public meeting held pursuant to Article 1 (commencing with Section 1000) of Chapter 1 of Part 2.
- (f) (1) Use and expend moneys to make loans to a charter school for which the county board of education or the county superintendent of schools has a supervisory responsibility or, regardless of whether the charter school is within or outside of the county, with which the county board of education or the county superintendent of schools has a contractual relationship pursuant to subdivision (b) of Section 47603. Moneys borrowed by the county board of education for the purpose of making a loan to a charter school shall be payable solely from the funds of the charter school and shall not constitute a debt or liability of the county board of education or the county superintendent of schools, notwithstanding the provisions of Section 53857 of the Government Code, or any other law.
- (2) The State of California is not liable for any debt or liability within the meaning of Section 1 of Article XVI of the California Constitution, or otherwise, for loans made pursuant to this subdivision.
- (3) Before the county board of education makes a loan pursuant to this subdivision, the county superintendent of schools shall advise the chartering authority of the charter school and the county office of education in which the charter school is primarily located that the charter school has requested the loan and shall allow the chartering authority and county office of education to provide input regarding the advisability of making the loan. The county superintendent of schools also shall solicit a recommendation from bond counsel about the advisability of making the loan.

AB 1576 —4—

- SEC. 2. Section 47603 of the Education Code is amended to read:
- 47603. (a) This part shall not be construed to prohibit any private person or organization from providing funding or other assistance to the establishment or operation of a charter school.
- 6 (b) A charter school may contract with a county superintendent 7 of schools or a county board of education for the purposes of 8 borrowing moneys pursuant to subdivision (f) of Section 1042.